

MEMORANDUM FOR: Mr. Brown

SUBJECT: Acquisition of Property

1. In a letter to the Director of the Bureau of the Budget from Adm. Hillenkoetter, dated 1 March 1948, there was included a detailed section-by-section justification for CIA legislation. Section 7 was entitled "Appropriations" and after it this statement appeared:

Provision would be made in budgeting such items, but the money could not be spent without a basic authority to which the Certifying Officer could refer." In a letter, dated 12 March 1948, the Comptroller General approved the wording of section 7. The Senate Armed Services Committee, on 13 May 1948, discussed the proposed CIA bill and there is no record of any discussion on the point.

2. On 15 December 1948, the text of proposed legislation for the Central Intelligence Agency was again forwarded to the Bureau of the Budget. This new legislation was similar to that proposed the previous year. Section 7 (a)(1), however, was amended to include

it is thought necessary to include this provision in the present language to cover future contingencies which might arise." There is no record of any discussion on this section in either the Committee or on the floor.